

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

**04-06**

2. STATE

**Louisiana**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

**February 21, 2004**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (*Check One*):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:

**1905(a)(26) and 1934 of the Social Security Act  
42 CFR 435**

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 **\$722.40**  
b. FFY 2005 **\$2,897.43**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Pre-print pages 19c, 20c  
Attachment 3.1-A, Page 11  
Attachment 3.1-B, Page 10  
Supplement 3 to Attach. 3.1-A, Pages 1, 2, 3, 4, 5, 6,  
7, 8**

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (*If Applicable*):

**None (New Pages)  
None (New Page)  
None (New Page)  
None (New Pages)**

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to implement the Program for All Inclusive Care for the Elderly (PACE).**

11. GOVERNOR'S REVIEW (*Check One*):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

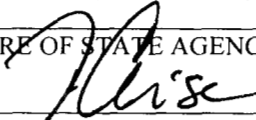
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

**The Governor does not review state plan material.**

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

**Frederick P. Cerise, M.D., M.P.H.**

14. TITLE:

**Secretary**

15. DATE SUBMITTED:

**March 29, 2004**

16. RETURN TO:

**State of Louisiana  
Department of Health and Hospitals  
1201 Capitol Access Road  
PO Box 91030  
Baton Rouge, LA 70821-9030**

**FOR REGIONAL OFFICE USE ONLY**

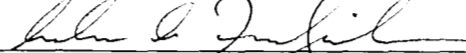
17. DATE RECEIVED: **31 MARCH 2004**

18. DATE APPROVED: **1 NOVEMBER 2004**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
**21 FEBRUARY 2004**

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:  
**ANDREW A. FREDRICKSON**

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR  
DIV OF MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

*Louisiana (04-06)  
Approved: 11/01/04  
Effective: 02/21/04*

Revision:

State: LOUISIANACitation 3.1(a)(1) Amount, Duration, and Scope of Services: Categorically Needy  
(Continued)1905(a)(26) X Program of All-Inclusive Care for the Elderly (PACE) services,  
and 1934 as described and limited in Supplement 3 to Attachment 3.1-A.

ATTACHMENT 3.1-A identifies the medical and remedial services provided to the categorically needy. (Note: Other programs to be offered to Categorically Needy beneficiaries would specify all limitations on the amount, duration and scope of those services. AS PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Categorically Needy beneficiaries would also list the additional coverage –that is in excess of established service limits- for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)

STATE	<u>Louisiana</u>
DATE RECD	<u>3-31-04</u>
DATE ADM	<u>11-1-04</u>
DATE SER	<u>2-21-04</u>
HCFA 170	<u>C4-C6</u>

TN# C4-C6 Approval Date 11-1-04 Effective Date 2-21-04  
 Supersedes  
 TN#

Revision:

State: LOUISIANACitation 3.1(a)(2) Amount, Duration, and Scope of Services: Medically Needy  
(Continued)1905(a)(26) and 1934 \_\_\_\_\_ Program of All-Inclusive Care for the Elderly (PACE) services,  
as described and limited in Supplement 3 to Attachment 3.1-A.

ATTACHMENT 3.1-B identifies services provided to each covered group of the medically needy. (Note: Other programs to be offered to Medically Needy beneficiaries would specify all limitations on the amount, duration and scope of those services. AS PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Medically Needy beneficiaries would also list the additional coverage –that is in excess of established service limits- for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)

STATE	<u>Louisiana</u>
DATE REC'D.	<u>3-21-04</u>
DATE APPV.	<u>11-1-04</u>
DATE EFF.	<u>2-21-04</u>
NO. OF PGS.	<u>04-06</u>

TN# 04-06 Approval Date 11-1-04 Effective Date 2-21-04  
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 TN# \_\_\_\_\_

State: LOUISIANA

AMOUNT, DURATION, AND SCOPE OF MEDICAL  
AND REMEDIAL CARE AND SERVICES TO THE CATEGORICALLY NEEDY

27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 3 to Attachment 3.1-A.

  X   Election of PACE: by virtue of this submittal, the State elects PACE as an optional State Plan service.

       No election of PACE: by virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

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HCFA 173	<u>04-06</u>

TN# 04-06 Approval Date 11-1-04 Effective Date 2-21-04  
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TN#

State: LOUISIANAAMOUNT, DURATION, AND SCOPE OF MEDICAL  
AND REMEDIAL CARE AND SERVICES TO THE MEDICALLY NEEDY

27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 3 to Attachment 3.1-A.

\_\_\_\_\_ Election of PACE: by virtue of this submittal, the State elects PACE as an optional State Plan service.

X No election of PACE: by virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

STATE	LOUISIANA
DATE RECEIVED	3-31-09
DATE REVIEWED	11-1-09
DATE OF ACTION	2-21-09
ACTA #	09-06

TN# 09-06 Approval Date 11-1-09 Effective Date 2-21-09  
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Revision:

STATE Louisiana  
DATE 3-31-09  
DATE 11-1-09  
DATE 2-21-09  
DATE 09-06

Supplement 3 to Attachment 3.1-A

Page 1

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Louisiana

Name and address of State Administering Agency, if different from the State Medicaid Agency.

I. Eligibility

The State determines eligibility for PACE enrollees under rules applying to community groups.

A. X The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

42 CFR 435.120 and 42 CFR 435.236

(If this option is selected, please identify, by statutory and/or regulatory reference, the institutional eligibility group or groups under which the State determines eligibility for PACE enrollees. Please note that these groups must be covered under the State's Medicaid plan.)

B. X The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II - Compliance and State Monitoring of the PACE Program.

C. \_\_\_\_\_ The State determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

Regular Post Eligibility

I. \_\_\_\_\_ SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

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NOFA YRS 04-06

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TN NO.:

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 DATE OF NO. 3-31-09  
 DATE OF 11-1-09  
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 NOTES C9-C6

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(C.) Family (check one):

1. ☐ AFDC Need Standard
2. ☐ Medically Needy Income Standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. ☐ The following dollar amount: \$ \_\_\_\_\_  
 Note: If this amount changes, this item will be revised.
4. ☐ The following percentage of the following standard  
 that is not greater than the standards above: \_\_\_\_\_ %  
 of \_\_\_\_\_ standard.
5. ☐ The amount is determined using the following formula:  
 \_\_\_\_\_  
 \_\_\_\_\_
6. ☐ Other \_\_\_\_\_
7. ☐ Not applicable (N/A)

(b) Medical and remedial care expenses in 42 CFR 435.726.

**Regular Post Eligibility**

2. ☐ 209(b) State, a State that is using more restrictive eligibility requirements than SSI. The State is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

(a) 42 CFR 435.735--States using more restrictive requirements than SSI.

1. Allowances for the needs of the:

(A.) Individual (check one)

1. ☐ The following standard included under the State plan (check one):
  - (a) ☐ SSI
  - (b) ☐ Medically Needy
  - (c) ☐ The special income level for the institutionalized
  - (d) ☐ Percent of the Federal Poverty Level: \_\_\_\_\_ %

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State Louisiana  
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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- (e) Other (specify):
2. The following dollar amount: \$
- Note: If this amount changes, this item will be revised.
3. The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is **equal to, or greater than** the maximum amount of income a PACE enrollee may have and be eligible under PACE, **enter N/A in items 2 and 3.**

(B.) Spouse only (check one):

1. The following standard under 42 CFR 435.121:
2. The Medically Needy Income Standard
3. The following dollar amount: \$
- Note: If this amount changes, this item will be revised.
4. The following percentage of the following standard that is not greater than the standards above: % of standard.
5. The amount is determined using the following formula:
6. Not applicable (N/A)

(C.) Family (check one):

1. AFDC Need Standard
2. Medically Needy Income Standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size

3. The following dollar amount: \$
- Note: If this amount changes, this item will be revised.
4. The following percentage of the following standard that is not greater than the standards above: % of standard.

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5. \_\_\_\_ The amount is determined using the following formula:

6. \_\_\_\_ Other

7. \_\_\_\_ Not applicable (N/A)

(b) Medical and remedial care expenses specified in 42 CFR 435.735.

**Spousal Post Eligibility**

3. \_\_\_\_ State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(a.) Allowances for the needs of the:

1. Individual (check one)

(A.) \_\_\_\_ The following standard included under the State plan (check one):

1. \_\_\_\_ SSI

2. \_\_\_\_ Medically Needy

3. \_\_\_\_ The special income level for the institutionalized

4. \_\_\_\_ Percent of the Federal Poverty Level: \_\_\_\_ %

5. \_\_\_\_ Other (specify):

(B.) \_\_\_\_ The following dollar amount: \$ \_\_\_\_

Note: If this amount changes, this item will be revised.

(C.) \_\_\_\_ The following formula is used to determine the needs allowance:

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735,

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State of Louisiana

explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

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II. Rates and Payments

A. The State assures CMS that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.

1. X Rates are set at a percent of fee-for-service costs
2. \_\_\_ Experience-based (contractors/State's cost experience or encounter date)(please describe)
3. \_\_\_ Adjusted Community Rate (please describe)
4. \_\_\_ Other (please describe)

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.

C. The Medicaid payment to a PACE organization on behalf of a Medicaid-eligible participant shall be a prospective monthly capitated amount that is less than the amount that would otherwise have been paid under the State plan if the participant was not enrolled under the PACE program.

1. The PACE capitation rate is set as a percentage of the UPL for what the State would have expected to pay under fee-for-service for the enrollees. The rate shall not exceed 95% of the UPL. The UPL was established by utilizing all payments and months of eligibility for nursing facility and HCBS waiver enrollees for the Elderly/Disabled and Adult Day Health Care waivers who met the PACE enrollment criteria, including requiring a nursing facility level of care, who are

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QMB Plus, Medicaid (non-QMB) and SLMB Plus. Claims for QMB Only, QDWI, SLMB Only, and QIs were excluded based on Type Case.

2. Claims and eligibility data were collected for all PACE eligible individuals and three rate groups were established – those with Medicare Part A or Medicare Parts A & B; those with Medicare Part B only and those with Medicaid only. The average cost per enrollee per month for each rate group was calculated for each month based on date of service by dividing the total cost of all PACE eligibles by the total eligible member months for those eligibles for a twenty-four month period. In order to accommodate lag time between date of service and date of payment, data was extracted in June from claims paid as of the end of May 2004. A 12 months average was calculated and multiplied by 12 to estimate annual average cost per enrollee for SFY 2002-03. Percentage change between the two periods was taken for projecting utilization trends for the future contract period. Adjustments were made to reflect third-party liability, pharmacy rebates, enrollee cost sharing and programmatic changes in fee-for-service after the data was compiled such as implementation of State Plan option for Long Term-Personal Care Services. The base FFS was then trended to the contract period and adjusted to reflect the upper payment limit. Inflation based on historical fee-for-service data was used. Rates were set as a percentage of the UPL. Medicare Buy-In costs were not included.
  3. Medicaid will continue to pay fee-for-service payments for deductibles and co-insurance for QMB Only, QDWI, SLMB Only and QIs as they are not included in the UPL or capitated rate calculation.
  4. The State is using the open cooperative contracting option and plans to set the rate not to exceed 95% of the UPL, taking into consideration the start-up costs, experience with managed care, etc.
- D. There shall be a minimum of two Medicaid upper payment limits calculated annually:
1. one for participants who are eligible for both Medicare and Medicaid; and
  2. one for participants who are eligible only for Medicaid.
- E. The State will submit all capitated rates to the CMS Regional Office for prior approval.

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BY: 11-1-04  
DATE: 2-21-04  
HCF: 04-06

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## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Louisiana

### III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

### IV. Reimbursement

- A. Participants shall be eligible for Medicaid payment of the PACE premium on their behalf if they meet the categorically needy income and resource criteria for Medicaid eligibility for a nursing facility or home and community based waiver services. No retroactive capitated payments shall be made.
- B. Medicaid payment to a PACE organization shall be made for each Medicaid eligible participant who is identified on Medicaid files as linked to the PACE provider and is enrolled for the subsequent month. Enrolled participants are those who have signed an enrollment agreement and who have been linked by Medicaid to the PACE provider.

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